

Notice of Allowability

Application No.

09/501,154

Examiner

Nga B. Nguyen

Applicant(s)

SANKARAN ET AL.

Art Unit

3692

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address--

All claims being allowable, PROSECUTION ON THE MERITS IS (OR REMAINS) CLOSED in this application. If not included herewith (or previously mailed), a Notice of Allowance (PTOL-85) or other appropriate communication will be mailed in due course. **THIS NOTICE OF ALLOWABILITY IS NOT A GRANT OF PATENT RIGHTS.** This application is subject to withdrawal from issue at the initiative of the Office or upon petition by the applicant. See 37 CFR 1.313 and MPEP 1308.

1. ☒ This communication is responsive to the RCE filed on May 17, 2007.
2. ☒ The allowed claim(s) is/are 14-20 and 25-29.
3. ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 - a) ☐ All b) ☐ Some* c) ☐ None of the:
 1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

* Certified copies not received: _____.

Applicant has THREE MONTHS FROM THE "MAILING DATE" of this communication to file a reply complying with the requirements noted below. Failure to timely comply will result in ABANDONMENT of this application.

THIS THREE-MONTH PERIOD IS NOT EXTENDABLE.

4. ☐ A SUBSTITUTE OATH OR DECLARATION must be submitted. Note the attached EXAMINER'S AMENDMENT or NOTICE OF INFORMAL PATENT APPLICATION (PTO-152) which gives reason(s) why the oath or declaration is deficient.
 5. ☐ CORRECTED DRAWINGS (as "replacement sheets") must be submitted.
 - (a) ☐ including changes required by the Notice of Draftsperson's Patent Drawing Review (PTO-948) attached
 - 1) ☐ hereto or 2) ☐ to Paper No./Mail Date _____.
 - (b) ☐ including changes required by the attached Examiner's Amendment / Comment or in the Office action of Paper No./Mail Date _____.
- Identifying indicia such as the application number (see 37 CFR 1.84(c)) should be written on the drawings in the front (not the back) of each sheet. Replacement sheet(s) should be labeled as such in the header according to 37 CFR 1.121(d).
6. ☐ DEPOSIT OF and/or INFORMATION about the deposit of BIOLOGICAL MATERIAL must be submitted. Note the attached Examiner's comment regarding REQUIREMENT FOR THE DEPOSIT OF BIOLOGICAL MATERIAL.

Attachment(s)

1. ☒ Notice of References Cited (PTO-892)
2. ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3. ☐ Information Disclosure Statements (PTO/SB/08),
Paper No./Mail Date _____
4. ☐ Examiner's Comment Regarding Requirement for Deposit
of Biological Material
5. ☐ Notice of Informal Patent Application
6. ☐ Interview Summary (PTO-413),
Paper No./Mail Date _____
7. ☐ Examiner's Amendment/Comment
8. ☒ Examiner's Statement of Reasons for Allowance
9. ☐ Other _____

DETAILED ACTION

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on May 17, 2007 has been entered.
2. Claims **14-20** and **25-29** are pending in this application.

Allowable Subject Matter/Reasons for Allowance

3. Claims **14**, **17** and **25** are allowed over the prior arts cited records.

The closest prior arts are:

1) Levine (US 6,233,566) discloses system, method and computer program product that creates a "marketplace" for end-to-end financial products life cycle transactions. More particularly, the invention provides a centralized exchange system for the trading of loans. The system includes a plurality of Web servers for receiving and providing loan information from and to subscribers on several Web clients and a database server for searching the pre-set rules to match potential buyers with sellers. The system also includes a database for storing information relating to negotiations (i.e., bidding) for the sale of loans and for storing pre-set rules for pre-registered buyers and sellers. The system further includes a database and server for storing risk/return information that is made available to subscribers for analysis.

2) Parks (Journal of Accountancy) discloses Collateralized mortgage obligations (CMO), introduced in the early 1980s, were designed to minimize the reinvestment and interest rate risks of standard mortgage-backed securities. CMOs can be divided into tranches of differing maturities to meet the needs of various investors. The appeal of CMOs was expanded by the introduction of the real estate mortgage investment conduit (REMIC) security in 1987. REMICs offer preferred tax treatment to both issuers and investors. They are structured into classes with different interest rates, average lives, prepayment sensitivities, and maturities. Investors can select the class that best fits their needs. REMIC structures can include interest only/principal only (IO/PO) classes that resemble a stripped mortgage-backed security (SMBS) structure.

3) Holdcroft (Secondary Mortgage Markets) discloses the wizards of Wall Street are creating increasingly complicated structures for collateralized mortgage obligations (CMO) and real estate mortgage investment conduits. Most of the innovations are made possible by computer software that enables financial engineers to combine bond classes with varying characteristics to produce innovative structures. Competition to show issuers the best possible transaction provides the motivation. CMOs evolved from one-time deals to generic issuing vehicles under one registration statement, a concept known as rent-a-shelf. Structuring CMOs requires a CMO team of experts in various specialities. A subgroup of the CMO team monitors the market for potential opportunities. Steps in the CMO structuring process include: 1) reviewing the most recent deals, 2) modeling the transaction precisely, 3) obtaining pricing information, 4) revising prepayment assumptions, 5) modifying the structure class by class,

6) negotiating, and 7) setting the terms.

Therefore, it is clear from the description of Levine's, Parks's and Holdcrofts inventions that the prior arts do not considered the possibility of: modifying, in the first computer, an initial offer price and an initial offer amount of another of the classes of the multi-class instrument based on the bid received in response to the initial offer price and offer amount of said one of the classes on the at least one second computer, as included in claims 14; modifying, at the underwriter's computer, the offer information with respect to another one of the classes of the multi-class instrument based on the first bid for said one of the classes, as included in claim 17; modifying, in the system operated by the underwriter, initial offer information for another one of the classes of the multi-class instrument in view of the bid for said one of the classes, as included in claim 25.

4. Claims 15-16, 18-20 and 26-29 are allowed because they are dependent claims of the allowable independent claims 14, 17 and 25 above, in that order.

Conclusion

5. Claims **14-20** and **25-29** are allowed.

6. Any inquiry concerning this communication or earlier communications from the examiner should be directed to examiner Nga B. Nguyen whose telephone number is (571) 272-6796. The examiner can normally be reached on Monday-Thursday from 9:00AM-6:00PM.

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on (571) 272-6783.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (571) 272-3600.

7. Any response to this action should be mailed to:

Commissioner of Patents and Trademarks

P.O. Box 1450

Alexandria, VA 22313-1450

Or faxed to:

(571) 273-8300 (for formal communication intended for entry),

or

(571) 273-0325 (for informal or draft communication, please label "PROPOSED" or "DRAFT").

Hand-delivered responses should be brought to Knox Building, 501 Dulany Street, Alexandria, VA, First Floor (Receptionist).



NGA NGUYEN
PRIMARY EXAMINER

July 17, 2007